## State of Idaho

## DEPARTMENT OF INSURANCE

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## **NEWS RELEASE**

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## **Insurance Department Urges Idahoans to Examine Health Plans Before Purchasing**

Consumers encouraged to educate themselves about their options

BOISE ID (January 27, 2010) – The Idaho Department of Insurance warns consumers that television and print advertisements for low, affordable health insurance may not provide consumers with adequate information. The Department encourages consumers to learn about alternative health insurance plans before choosing a policy.

"Be sure you understand the details of any plan you may be considering before you make a purchase. Consider the current or future medical needs you or your family may have," says Department Director Bill Deal. "Coverage and deductible options differ widely from plan to plan."

Bare bones plans that cover specific expenses have many more limitations than a comprehensive health insurance plan. Limited benefit health plans are not intended to replace but to supplement other plans. Coverage is restricted to fewer types of medical expenses and has higher co-insurance percentages, higher co-pays and higher deductibles.

High deductible health plans only cover catastrophic health care costs. Consumers will pay much more of the up-front cost before the policy pays any benefits for eligible medical expenses.

Health savings accounts allow consumers to set aside funds for future qualified medical expenses. These funds can be deposited on a pre-tax basis. Withdrawals from the fund to pay for health care expenses are tax exempt.

Discount health plans are not insurance products. These membership groups make arrangements with local providers for services at a discounted rate. These discount programs have limited regulation and can have limited consumer protections.

Before purchasing any type of insurance policy, contact the Department and confirm that the company and the agent are licensed in Idaho. This information is available at <a href="www.doi.idaho.gov">www.doi.idaho.gov</a>, or by calling 334-4250 in Boise, or 800-721-3272 toll-free statewide.